



DEPARTMENT OF STATE

Washington, D.C. 20520

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November 23, 1982

(With TOP SECRET Attachment)

Interagency Group No. 14

TO: OVP - Mr. Donald P. Gregg
 NSC - Mr. Michael O. Wheeler
 CIA -
 Defense - COL John Stanford
 JCS - LTC Dennis Stanley

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SUBJECT: Restricted SIG Meeting: Libya Stair Step Plan

Attached is the interagency review of the Libya Stair Step Plan as requested by Judge Clark. It has unanimous IG concurrence. The review will be addressed at a meeting of the SIG chaired by Ambassador Eagleburger, scheduled for 3:45 PM, Monday, November 29, in Room 7219, Department of State. The meeting is intended to focus attention on the importance of the actions involved in the Plan and the intelligence assessments of likely reactions. An interagency decision on the next action steps will be sought. A meeting agenda is attached.

Attendance at the meeting will be principal plus one. Please telephone the names of your representatives to Sheila Lopez at 632-5804 by COB Friday, 26 November.

NAVY Review Completed

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L. Paul Bremer, III
 Executive Secretary

done
 (McMahon)
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NSC review completed - unredacted segments may be declassified

Attachments:

1. SIG Agenda
2. Review of Stair Step Plan

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State Dept. review completed

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SIG AGENDA

LIBYA STAIR STEP PLAN

24 November 1982

- Briefing of Stair Step Plan, by Joint Staff
- Intelligence Assessment Brief of Likely Libyan Reactions, by CIA
- Briefing of War Powers Resolution and Congressional Notification, by Department of State
- Opportunity for General Discussion
- Decision on Next Action Steps

NAVY Review Completed

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Review of Stair Step Plan for
Naval Operations in the Vicinity of Libya

Judge Clark's memorandum of October 8 (Tab A) requested that Secretary Shultz conduct an interagency review of the DOD Stair Step Plan for naval operations in the vicinity of Libya. This paper is designed to assist that review. It provides background on naval operations in the area, describes the plan, and then reviews the issues of:

- Likely Libyan reaction; NAVY Review Completed
- Congressional consultation;
- Notification of other states;
- Contingency guidance for escalation; and
- Procedures for review of operations.

Background on Operations in the Area

In October 1973, the Libyan government claimed as internal waters the Gulf of Sidra northward to latitude 32 degrees 30 minutes (Tab B). Libya also claims a territorial sea 12 nautical miles from its sovereign territory. In addition, a Libyan communique of November 1972 stated that foreign aircraft could not fly within a 100 mile radius of Tripoli. The Libyan Flight Information Region (FIR) extends to a northern boundary of latitude 34° 20'; a FIR is an airspace of defined dimension within which flight information and alerting services are provided.

The United States traditionally has held naval exercises in the Gulf of Sidra off Libya. A summary of those exercises, including those which penetrated Libyan-claimed waters, is attached at Tab C. For six years following the Libyan Gulf of Sidra claim, the US continued exercises in the Gulf, including some below the Libyan closure line. Following Libyan protests in 1980, and Libyan harassment of US reconnaissance flights, the US decided to discontinue exercises in Libyan claimed waters during the period of tension caused by the Iran hostage crises.

In August 1981, the US resumed its exercise program in the area and penetrated below the 32°30' closure line with aircraft and ships. Two Libyan aircraft attacked US fighters below the line, and were destroyed in defense.

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Since the 1981 incident, no US aircraft or surface ships have operated in Libyan claimed air and sea space. Some US aircraft have operated in the FIR. This summer, carrier aircraft flew four times in the FIR, but above the Libyan closure line. On another occasion we notified the Libyan air traffic control authorities of our intent to operate in the FIR, but did not actually perform those evolutions. No Libyan reaction occurred concerning those flights in the FIR, but a state of heightened alert was detected after the US filed notice of intent to operate. Finally, on October 24, 1982 we engaged in flight operations in the Libyan FIR after prior notification of our intent to do so; there was a Libyan reaction but it was not hostile.

US naval operations in the vicinity of Libya have been endorsed by this Administration in the past on the grounds that:

- o they are part of our worldwide Freedom of Navigation program, under which we assert our rights of free navigation in international waters by conducting air and surface penetrations of areas claimed by nations whose claims we do not recognize;
- o the training cycle of the 6th Fleet requires open ocean missile exercises which can only be conducted in the Gulf of Sidra because of its size and distance from heavily trafficked routes; and
- o these operations are consistent with our overall policy of deterring and resisting Libyan intimidation and lawlessness, and encouraging others to do likewise.

The Stair Step Plan

The Stair Step Plan (summarized at Tab D), which has unanimous interagency approval, is designed gradually to increase and demonstrate US presence in the area near Libya, rather than to move directly and precipitately from a period of inactivity to a large-scale exercise. The Plan would bolster our claim that operations in the area are normal, and would allow us to test and gauge Libyan reactions.

The first three steps of the Plan have already been completed. They were: (1) notice of intent to operate in the FIR without actual operations; (2) limited air penetrations of the FIR well above the closing line; and (3) limited air/surface operations in the FIR, after notification, with air operations as far

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south as the closure line. The remaining five steps involve penetrations of the Gulf of Sidra closure line. They build gradually through night, dusk, and then day operations, with aircraft and then ships below the Libyan closure line, culminating in an Open Ocean Missile Exercise, similar to the one held in August 1981.

Step 3 stimulated at least three pairs of Libyan Mig-23 fighters to fly toward the US aircraft during the course of a day-long operation. There were no hostile actions. The Libyan aircraft broke-off and returned to base after being intercepted by US F-14s. [redacted] the pilots of the Libyan Mig-23s may have been Syrian.

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Likely Libyan Reaction

The intelligence community believes that the Libyans will respond to penetrations of the area below the closure line. They believe, however, that Libyan capabilities to respond to air operations at night are limited. There is some chance that Libya will respond to operations in the FIR above the closure line, especially if the Libyans are notified in advance.

The Libyan responses are likely to be attempts to intercept, only for identification, aircraft in the FIR, but above the closure line. The Libyan response to aircraft below the closure line almost certainly will be to attack them. Ships below the closure line are also likely to be fired upon. Ships above the closure line may come under attack if they are operating demonstratively in connection with an aircraft operation that penetrates the closure line.

If Libya's attempt to attack US forces in the area results in another military embarrassment (either similar to the 1981 incident, or on a larger scale), Qadhafi may order unconventional warfare responses, such as terrorist attacks on US personnel or installations in Europe, the Middle East, or even the US.

Congressional Consultations

In view of the above assessment, those steps in the plan which are assessed as having a "medium to high" or "high" risk of a hostile Libyan response should be preceded by notification of, or consultation with, a few key Congressional leaders. They would take place as near to the date of the event as possible. Whether or not Congressional consultations will be required under the War Powers Resolution will depend on a current threat assessment which

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takes into consideration all factors related to the proposed operation. These notifications or consultations would explain the Stair-Step Plan and review our record of operations in the region. Emphasis should be placed on the universal rejection of the Libyan claim to the waters in question, our worldwide Freedom of Navigation and Overflight Program, and our overall strategy of confronting Libyan lawlessness. The vital need for secrecy and the adverse consequence of leaks would also be stressed.

Notification of Other States

Several regional states, notably the Italians, have asked to be notified in advance of any US operations that could provoke a Libyan response. Italy's concern stems from its economic ties with Libya, its 20,800 nationals in Libya, and Libyan threats to attack US bases in Italy, Spain, and Greece. US EP-3s operate out of Italy during these exercises, and US Navy ships involved in such exercises routinely call in Italian ports. Belgium, as US protecting power in Libya, repeatedly has expressed concern that it be notified in advance. Egypt and Tunisia, which border Libya, have also reasonably expressed interest.

There is interagency consensus that flight and surface operations above the Libyan closure line, whether or not they are notified to the Libyans, should not occasion US consultations with area states. Because of the high likelihood of hostilities involved in Steps 6-8, regional states (specifically, Italy, Tunisia, Morocco, and Egypt), plus Belgium, should be advised of those steps one to two days prior to the time the FIR authorities are informed; that FIR notification typically would be 3-5 days in advance of the exercise. The informing should be accompanied by a brief recapitulation of our rationale for these operations.

Contingency Guidance for Escalation

All steps in the plan will be conducted under normal US peacetime Rules of Engagement (ROEs). Under such rules, US units can use force only if force is used against them, or if there are specified indications that force is about to be used against them. The US response would be in self-defense and would be limited to that Libyan element that used force or was about to do so. There would not be a general response against units of the country.

In the same context, if a generalized and large-scale attack against US forces in the area occurred, those US forces would take

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defensive action directed against the attacking forces. They would not have authority to direct retaliatory strikes against Libyan territory. Such actions could only be authorized after approval by the President. It is DOD's view that Libya's offensive air and naval capabilities could be quickly neutralized by two carrier battle groups. Plans exist for such operations, and adequate forces for self-protection will be available in every step.

Procedures for Review of Operations

It is difficult to predict precisely likely domestic and international reaction in the event of hostilities during one of the earlier steps. Depending on the circumstances, this reaction could cut both ways, i.e., either discouraging implementation of the rest of the plan, or pushing the pace of implementation. In either case, political factors could come into play that would make the escalation foreseen in the plan uncertain or difficult to manage. These concerns lead to precautions.

The Department of Defense will submit all plans for Steps 4-8 of the Stair-Step Plan for review by SIG-level principals. A formal memorandum with a description of the operation should be provided ten days in advance, whenever possible.

- o For Steps 4-5, there should be SIG-level review followed by NSC staff determination either to grant clearance or to refer the matter to an NSC meeting for consideration and Presidential decision. This process should be accomplished within 48 hours of submission of plans.
- o For Steps 6-8, procedures for Steps 4-5 will be followed, except that the plan will be accompanied by an interagency paper for NSC principals and Presidential decision.
- o Since Steps 1-3 experienced no hostile reaction, the fleet may continue to conduct these types of operations to continue to condition the Libyans to increased presence. Review to conduct repeats of these steps would be the same as for the original operations.

It is recognized that operational opportunities may arise on relatively short notice, especially with readjusted naval force levels, and in that case DOD may request extraordinary review in

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order to take advantage of such a situation. It must be recognized in the same token, however, that ultimate approval still will be dependent upon adequate opportunity for legitimate review. For Steps 6-8, however, under all circumstances, the opportunity for NSC consideration will be preserved.

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